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re: Implementation and Administration of a Coupon Program for Digital-to-Analog Converter Boxes

It appears that the consumers who most need these coupons (or converter boxes) do not know it. Many will not discover this fact until mid-February 2009. By then it will take (too much) time to request a coupon, wait for it in the mail, purchase and install the converter. Additionally the low income households who are the intended beneficiaries of this program may not have the needed funds to make the purchase even with the coupon(s).

### **Eligible households**

The legislative history as of June 2004 notes that only 14.86% of households in the USA rely solely on over-the-air television. I believe that **all** of these households should be eligible for this coupon. All of these households will not use a coupon. Some will buy new digital televisions, some will begin subscriptions to television when analog broadcasting ends and some will simply not use the coupon. This eligibility requirement should not be restricted by income levels. This makes sure those who want coupons can get them, eliminates one element of potential fraud and simplifies the program.

### **Method of implementation**

Rather than mail out physical coupons to households, this should appear as a "deduction" on 2009 federal income tax returns. Ideally the program should be in effect for the entire calendar year 2009. To get the deduction, a household would have to purchase acceptable converters and show proof of that purchase and any other requirements with their tax return. If it is desired to offer free converters to households below a specific income, the appropriate amount can be credited/returned. Since these converters are currently not available, and most households will not make the purchase until 2009, this seems like the most effective approach.

### **Demand**

If demand for these coupons is low, then indeed the requirements to get them should be expanded. However, if demand for these coupons is higher than expected, they should be given out to everyone who relies on over-the-air television. Funds to support this can be reallocated from other programs. For example, if the converters are Energy Star compliant, funds could be allocated from other programs intended to reduce energy consumption or reduce pollution. Households denied coupons may end up purchasing converters (or televisions) which do not meet the standards this program outlines.

### **Coupon value**

Each coupon should have the prescribed value (\$40.10) and only be good towards one converter. Converters sold by retailers which conform to the requirements of this program should have a "proof of purchase" or other decal so that consumers know the converter is covered by this program. A list of these converters could be provided on the Internet. The proof of purchase along with other requirements would be submitted with a tax return to get the deduction/credit. If it is desired to make refunds more quickly, then a web site could be set up which accepts a "product code" from the purchased converter. However by allowing coupon redemption to trickle in over the year, it invites more fraud. By tying this to a household's income tax return, each house is only making one submission regardless of the number of coupons used.

**Expiration dates**

Why use physical coupons? Everything should be (electronically) coded with unique numbers. This makes implementation via the Internet easier. However, if there are expiration dates, a means is needed to determine the purchase date of the converter. I would rather see the program last for the entire calendar year 2009 and be tied to the 2009 Federal Income Tax Return. Receipts and proof of purchase would be submitted with the return.

**Converter box specifications**

The minimum requirements proposed by the NTIA for converter boxes are great. Specifically converters should be required to provide both RF and LINE outputs, which you addressed. However, households using coupons should not be restricted in only purchasing converters with limited abilities.

- For example, under this proposal the converter can not also have a built-in DVD player. Overall power consumption is likely to be less with one box incorporating these two functions than it is to have two separate boxes.
- For consumers who currently possess higher definition displays which do not have ATSC tuners, why not allow a converter which outputs a high definition signal to be included in this program? I believe it should be.
- I also believe it is appropriate to exclude converters which also receive from cable or satellite.
- While it is best to require converters to use the least amount of power necessary, consideration must be given to those who will connect these converters to video recorders. Consumers must either be able to override an auto-shut off or there must be a means provided for recorders to power on the converters.

**Consumer education**

The most obvious means to educate the public about this coupon program and the end of analog over-the-air television is to run national television commercials or public service announcements in prime time. These commercials/PSAs should be limited to the networks which broadcast over-the-air and not run on "cable" channels. These commercials/PSAs could also direct consumers to a web site for more information.

Respectfully,  
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